

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 65th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Jeff Essmann, on March 22, 2017 at 8:00 AM, in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Jeff Essmann, Chair (R)
Rep. Kelly Flynn, Vice Chair (R)
Rep. Kim Abbott (D)
Rep. Becky Beard (R)
Rep. Zach Brown (D)
Rep. Mary Ann Dunwell (D)
Rep. Dave Fern (D)
Rep. Wylie Galt (R)
Rep. Jim Hamilton (D)
Rep. Adam Hertz (R)
Rep. Greg Hertz (R)
Rep. Steve Lavin (R)
Rep. James O'Hara (R)
Rep. Alan Redfield (R)
Rep. Bridget Smith (D)
Rep. Tom Welch (R)
Rep. Kerry White (R)

Members Excused:

Rep. Tom Jacobson, Vice Chair (D)
Rep. Ron Ehli (R)
Rep. George G. Kipp III (D)

Members Absent: None

Staff Present: Margot Miltenberger, Committee Secretary
Megan Moore, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 598, 3/16/2017; HB 601, 3/16/2017; HB 602, 3/16/2017; HB 606, 3/17/2017

Executive Action on: HB 511; HB 529; HB 583; HJ 18; SB 180; HB 224

00:01:21 Rep. Kipp III joined the meeting

HEARING ON HB 601

Opening Statement by Sponsor:

00:02:18 Rep. Adam Hertz (R), HD 96, opened the hearing on HB 601, Exempt certain shooting ranges from property tax payments.

Proponents:

00:03:24 Randy Stemple, Western Montana Fish and Game Association (WMFGA)

00:07:17 Brian Judy, National Rifle Association (NRA)

Opponents:

00:09:02 Dan Whyte, Department of Revenue (DOR)

Informational Witnesses: None

Questions from Committee Members and Responses:

00:13:31 Rep. Redfield
00:13:45 Rep. A. Hertz
00:14:06 Dan Whyte, DOR
00:15:16 Rep. Fern
00:15:54 Randy Stemple, WMFGA
00:17:22 Rep. Flynn
00:19:20 Randy Stemple, WMFGA
00:20:10 Rep. Flynn
00:21:23 Dan Whyte, DOR
00:21:43 Rep. Dunwell
00:24:00 Dan Whyte, DOR
00:24:26 Rep. Dunwell
00:25:00 Randy Stemple, WMFGA
00:25:06 Rep. Beard
00:26:36 Dan Whyte, DOR
00:27:13 Rep. Fern
00:28:20 Dan Whyte, DOR
00:28:35 Rep. Z. Brown
00:29:19 Rep. A. Hertz
00:29:48 Rep. G. Hertz
00:32:18 Dan Whyte, DOR
00:32:28 Rep. Flynn
00:33:22 Dan Whyte, DOR
00:33:43 Rep. Flynn
00:34:32 Rep. A. Hertz
00:35:11 Rep. Flynn
00:35:50 Dan Whyte, DOR
00:36:04 Chair Essmann
00:37:56 Rep. A. Hertz

Closing by Sponsor:

00:38:39 Rep. A. Hertz

00:39:54 Chair Essmann relinquished the chair to Vice Chair Flynn

HEARING ON HB 606

Opening Statement by Sponsor:

00:40:25 Rep. Jeff Essmann (R), HD 54, opened the hearing on HB 606, Revise procedure for calculation of mills for educational purposes.

00:41:50 Rep. Jacobson joined the meeting

Proponents:

00:42:34 Bob Story, Montana Taxpayers Association (Montax)

[EXHIBIT\(tah59a01\)](#)

Opponents:

00:52:20 Director Mike Kadas, Department of Revenue (DOR)

Informational Witnesses:

00:58:09 Ed Caplis, Department of Revenue (DOR)

[EXHIBIT\(tah59a02\)](#)

Questions from Committee Members and Responses:

01:01:33 Rep. Fern

01:04:42 Rep. Essmann

01:05:05 Rep. Beard

01:06:15 Rep. Essmann

01:06:22 Rep. Z. Brown

01:07:36 Rep. Essmann

Closing by Sponsor:

01:08:47 Rep. Essmann

01:10:19 Chair Essmann resumed the chair

HEARING ON HB 598

Opening Statement by Sponsor:

01:10:45 Rep. Jim Hamilton (D), HD 61, opened the hearing on HB 598, Limit capital gains income tax credit.

Proponents:

01:22:40 Director Mike Kadas, Department of Revenue (DOR)

[EXHIBIT\(tah59a03\)](#)

01:33:58 Heather O'Loughlin, Montana Budget and Policy Center (MBPC)

[EXHIBIT\(tah59a04\)](#)

01:36:28 Eric Feaver, MEA-MFT

01:37:39 Andy Bixler, Montana Associated Students (MAS)

01:39:20 Abigail Belcher, Associated Students of the University of Montana (ASUM)

01:39:35 Jules Shindel, Montana Human Rights Network (MHRN), Montana Women Vote (MWV)

Opponents:

01:39:58 George Olsen, Montana Society of CPAs (MSCPA)
01:43:24 Bob Story, Montana Taxpayers Association (Montax)
01:47:55 Bridger Mahlum, Montana Chamber of Commerce (MCC)

Informational Witnesses: None

Questions from Committee Members and Responses:

01:50:47 Rep. Beard
01:52:17 Director Mike Kadas, DOR
01:52:32 Rep. Redfield
01:52:52 Rep. Hamilton
01:53:38 Rep. Jacobson
01:57:06 Dan Dodds, Department of Revenue (DOR)
01:57:35 Rep. Fern
01:58:07 Rep. Hamilton
02:00:01 Rep. Fern
02:00:49 Eric Feaver, MEA-MFT
02:02:08 Rep. Dunwell
02:03:29 Jules Shindel, MHRN, MWV
02:04:35 Rep. Dunwell
02:05:04 Abbigail Belcher, ASUM
02:05:34 Rep. Z. Brown
02:06:46 Dan Dodds, DOR
02:07:10 Rep. Z. Brown
02:07:54 Bridger Mahlum, MCC
02:08:54 Rep. Flynn
02:10:35 Bob Story, Montax
02:12:01 Rep. G. Hertz
02:13:13 Dan Dodds, DOR
02:14:02 Rep. G. Hertz
02:14:48 Abbigail Belcher, ASUM
02:14:54 Rep. Jacobson
02:15:29 Dan Dodds, DOR
02:16:17 Rep. Dunwell
02:17:20 Abbigail Belcher, ASUM
02:17:29 Rep. G. Hertz
02:17:55 Rep. Hamilton
02:18:17 Rep. G. Hertz
02:19:00 George Olsen, MSCPA
02:19:33 Rep. Kipp III
02:20:22 Eric Feaver, MEA-MFT
02:20:59 Rep. Kipp III
02:22:35 George Olsen, MSCPA
02:23:11 Chair Essmann
02:26:44 Dan Dodds, DOR

Closing by Sponsor:

02:26:54 Rep. Hamilton

HEARING ON HB 602

Opening Statement by Sponsor:

02:34:15 Rep. Bridget Smith (D), HD 31, opened the hearing on HB 602, Promote growth of film and other media in Montana.

[EXHIBIT\(tah59a05\)](#)

Proponents:

02:36:51 Allison Whitmer, Department of Commerce (COM)

[EXHIBIT\(tah59a06\)](#)

02:46:54 Melissa Baker, Department of Fish Wildlife and Parks (FWP)

[EXHIBIT\(tah59a07\)](#)

02:49:17 Tyler Grutsch, Montana Film Society

02:52:55 Steve Grover, Self

03:03:02 John Skipper, Self

03:04:12 Jessie Luther, Motion Picture Association of America (MPAA)

03:05:02 Aimee Grmoljez, Montana Lodging and Hospitality Association

03:05:57 Bridger Mahlum, Montana Chamber of Commerce (MCC)

Opponents:

03:06:38 Bob Story, Montana Taxpayers Association (Montax)

[EXHIBIT\(tah59a08\)](#)

Informational Witnesses:

03:10:41 Micah Christensen, Department of Revenue (DOR)

Questions from Committee Members and Responses:

03:11:08 Rep. Redfield

03:12:25 Allison Whitmer, COM

03:15:07 Rep. Abbott

03:15:54 Steve Grover, Self

03:16:20 Rep. Beard

03:17:17 Tyler Grutsch, Montana Film Society

03:18:33 Rep. Fern

03:19:59 Micah Christensen, DOR

03:20:54 Rep. Kipp III

03:23:34 Tyler Grutsch, Montana Film Society

03:23:54 Allison Whitmer, COM

03:24:31 Rep. Kipp III

03:24:48 Allison Whitmer, COM

Closing by Sponsor:

03:26:16 Rep. B. Smith

EXECUTIVE ACTION ON HB 511

03:29:51 **Motion:** Rep. Redfield moved that **HB 511 DO PASS.**

Discussion:

03:29:58 Megan Moore, Legislative Services Division (LSD)

03:30:45 Rep. G. Hertz

03:31:51 **Vote:** Motion carried 18-2 by roll call vote with Rep. Beard and Rep. G. Hertz voting no. Rep. Dunwell, Rep. Ehli and Rep. Flynn voted by proxy.

03:32:50 Rep. Dunwell joined the meeting

EXECUTIVE ACTION ON HB 529

03:33:47 **Motion:** Rep. Jacobson moved that **HB 529 DO PASS.**

Discussion:

03:33:57 Rep. Redfield

03:34:22 Rep. Jacobson

03:35:57 Rep. A. Hertz

03:36:41 Rep. Fern

03:37:35 Chair Essmann

03:39:53 Rep. Z. Brown

03:41:08 Rep. Jacobson

03:42:20 Rep. G. Hertz

03:42:36 **Vote:** Motion failed 6-14 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Fern, Rep. Hamilton, Rep. Jacobson and Rep. B. Smith voting aye. Rep. Ehli and Rep. Flynn voted by proxy.

03:43:48 **Substitute Motion:** Rep. Redfield made a substitute motion that **HB 529 BE TABLED AND THE VOTE REVERSED.** Motion was without objection.

EXECUTIVE ACTION ON HB 583

03:45:38 **Motion:** Rep. White moved that **HB 583 DO PASS.**

Discussion:

03:46:16 Rep. White

[**EXHIBIT\(tah59a09\)**](#)

03:49:24 Chair Essmann

03:50:57 Rocky Haralson, Department of Revenue (DOR)

[**EXHIBIT\(tah59a10\)**](#)

03:51:06 Rep. G. Hertz

03:51:17 Rocky Haralson, DOR

03:51:41 Rep. Redfield

03:51:55 Rep. Flynn joined the meeting

03:52:41 **Vote:** Motion carried unanimously by voice vote. Rep. Ehli voted by proxy.

EXECUTIVE ACTION ON HJ 18

03:53:25 **Motion:** Rep. A. Hertz moved that **HJ 18 DO PASS**.

Discussion:

03:53:39 Rep. White
03:54:14 Rep. A. Hertz
03:54:39 Chair Essmann
03:55:45 Rep. Z. Brown
03:56:25 Rep. Flynn

03:56:50 Without objection, Rep. A. Hertz withdrew the **DO PASS** motion.

EXECUTIVE ACTION ON SB 180

03:57:19 **Motion:** Rep. Flynn moved that **SB 180 BE CONCURRED IN**.

Discussion:

03:57:26 Megan Moore, LSD
03:57:44 Rep. Redfield

03:58:12 **Vote:** Motion carried unanimously by voice vote. Rep. Ehli voted by proxy. Rep. Lavin will carry the bill.

EXECUTIVE ACTION ON HB 224

03:58:53 **Motion:** Rep. Jacobson moved to **RECONSIDER ACTION** on **HB 224**.

Discussion:

03:59:03 Rep. Jacobson
03:59:39 Megan Moore, LSD
04:00:14 Rep. Fern
04:00:50 Chair Essmann
04:01:59 Rep. Welch
04:02:10 Rep. Beard
04:02:49 Rep. G. Hertz

04:03:05 **Vote:** Motion carried 11-9 by roll call vote with Rep. Beard, Rep. Ehli, Rep. Essmann, Rep. Flynn, Rep. Galt, Rep. G. Hertz, Rep. O'Hara, Rep. Redfield and Rep. White voting no. Rep. Ehli voted by proxy.

04:04:36 **Motion/Vote:** Rep. Jacobson moved that **HB 224 DO PASS AS AMENDED**. Motion carried 11-9 by roll call vote with Rep. Beard, Rep. Ehli, Rep. Essmann, Rep. Flynn, Rep. Galt, Rep. G. Hertz, Rep. O'Hara, Rep. Redfield and Rep. White voting no. Rep. Ehli voted by proxy.

ADJOURNMENT

Adjournment: 04:06:36

Margot Miltenberger, Secretary

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Additional Documents:

EXHIBIT([tah59aad.pdf](#))